

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

CHARLES WILLIAMS, ET AL.,

Plaintiffs,

v.

K&K ASSISTED LIVING LLC, ET AL.,

Defendants.

Case No. 15-cv-11565

UNITED STATES DISTRICT COURT JUDGE
GERSHWIN A. DRAIN

UNITED STATES MAGISTRATE JUDGE
ELIZABETH A. STAFFORD

**OPINION AND ORDER GRANTING JOINT MOTION FOR
APPROVAL OF SETTLEMENT AGREEMENT AND
ENTRY OF STIPULATED ORDER OF DISMISSAL [33]**

On April 30, 2015, Plaintiffs Charles Williams, George Ruffin, and Wanda Turner filed suit against Defendants K&K Assisted Living LLC, K&K Assisted Living #1 LLC, K&K Assisted Living #2 LLC, and K&K Assisted Living #6 LLC, alleging violations of the Fair Labor Standards Act (FLSA), 29 U.S.C. § 201 *et seq.* Dkt. No. 1. Plaintiffs amended their Complaint on May 27, 2015. Dkt. No. 7.

On January 14, 2016, the parties filed a joint motion to approve the settlement agreement and dismiss two plaintiffs from the case. Dkt. No. 33, 34. For the reasons stated herein, the Court **GRANTS** the parties' Joint Motion [33].

I. BACKGROUND

The present case arises out of a claim for overtime compensation that Plaintiffs allege is due under the Fair Labor Standards Act (FLSA), 29 U.S.C. § 201 *et seq.* Plaintiffs assert that they and those “similarly situated” to them are individuals who were or currently are employed by Defendants as direct care workers at the various K&K Assisted Living facilities. Dkt. No. 22, p. 11 (Pg. ID No. 99). Defendants operate multiple group homes in the Detroit area where mentally disabled individuals reside and receive around-the-clock care. *Id.* at 2, ¶ 1 (Pg. ID No. 90). The three Plaintiffs were hourly, non-salaried employees for K&K. *See* Dkt. No. 22-3, 22-4, 22-5 (Pg. ID No. 124–38). Declarants each received an hourly wage of \$8.19 per hour, without any additional compensation for overtime hours worked. *See id.*

Plaintiffs filed their Complaint in this action on April 30, 2015, alleging Defendants violated the FLSA by failing to pay direct care workers overtime compensation. *See* Dkt. No. 1, p. 7, ¶ 33 (Pg. ID No. 7). On October 9, 2015, Plaintiffs moved for conditional certification of this action as a collective action pursuant to section 216(b) of the FLSA. *See* Dkt. No. 22, p. 2 (Pg. ID No. 90). The Court granted Plaintiffs’ motion on November 17, 2015. Dkt. No. 25.

II. LEGAL STANDARD

“In reviewing a settlement of an FLSA private claim, a court must scrutinize the proposed settlement for fairness, and determine whether the settlement is a ‘fair and reasonable resolution of a bona fide dispute over FLSA provisions.’ ” *Bartlow v. Grand Crowne Resorts of Pigeon Forge*, No. 3:11-CV-400, 2012 WL 6707008, at *1 (E.D. Tenn. Dec. 26, 2012) (quoting *Lynn's Food Stores, Inc. v. U.S. By & Through U.S. Dep't of Labor, Employment Standards Admin., Wage & Hour Div.*, 679 F.2d 1350, 1355 (11th Cir. 1982)).

In determining whether a proposed settlement is fair and reasonable, the court considers each of the following factors, if relevant:

(1) the risk of fraud or collusion; (2) the complexity, expense and likely duration of the litigation; (3) the amount of discovery completed; (4) the likelihood of success on the merits; (5) the opinion of class counsel and representatives; (6) the reaction of absent class members; and (7) public interest in the settlement.

Snook v. Valley OB–Gyn Clinic, P.C., 2015 WL 144400, at *1 (E.D. Mich. Jan. 12, 2015). District courts may approve FLSA settlements “in order to promote the policy of encouraging settlement of litigation.” *Lynn's Food Stores, Inc. v. U.S. By & Through U.S. Dep't of Labor, Employment Standards Admin., Wage & Hour Div.*, 679 F.2d 1350, 1354 (11th Cir. 1982).

III. DISCUSSION

A. The Settlement Must Resolve a Bona Fide Dispute

First, the Court must determine whether the parties are engaged in a bona fide dispute. *Snook*, 2015 WL 144400, at *1. Plaintiffs allege that they were not compensated as required by the FLSA for work in excess of 40 hours a week. Defendants dispute that they must pay Plaintiffs additional compensation for these excess hours. The Court would be required to resolve the parties' "good-faith" disagreement, had they not resolved it jointly. Accordingly, the Court is satisfied that Plaintiffs' FLSA claim was actually and reasonably in dispute.

B. The Settlement Must Be Reasonable and Fair

Next, the Court must scrutinize the settlement for fairness. *Lynn's Food Stores*, 679 F.2d at 1353. After reading the proposed settlement, the Court finds that it is a fair and reasonable resolution to the parties' dispute. *See* Dkt. No. 33-2. Both parties are represented by counsel and there is no indication that the parties' agreement is anything but a "reasonable compromise" to a bona fide dispute. *See Lynn's Food Stores*, 679 F.2d at 1354 ("If a settlement in an employee FLSA suit does reflect a reasonable compromise over issues, such as FLSA coverage or computation of back wages, that are actually in dispute; we allow the district court to approve the settlement in order to promote the policy of encouraging settlement of

litigation.”). As parties stated in their amended brief, the settlement bears a reasonable relationship to the amount in dispute, as well as the costs and risks of proceeding with litigation. Dkt. No. 34, p. 2 (Pg. ID No. 364).

Finally, the Court concludes that the attorneys’ fee award is reasonable. Plaintiffs will receive \$10,000 each. *Id.* at 3. Attorneys’ fees and expenses will then be deducted from that amount, resulting in a nettle settlement of \$5,505.79 per client. *Id.* In total, Plaintiffs’ counsel will receive \$6,666.00 in fees for the time and resources working up the case until this point, while Plaintiffs Ruffin and Turner will receive \$11,011.58 combined. *Id.* Since FLSA fee awards have been viewed as fair even when the attorneys’ fees exceeded plaintiff recovery, the Court cannot say that this amount is not fair and reasonable. *See Lakosky v. Disc. Tire Co.*, No. 14-13362, 2015 WL 4617186, at *2 (E.D. Mich. July 31, 2015) (approving a settlement where attorneys fees were “slightly greater” than the plaintiff’s recovery).

IV. CONCLUSION

Based on the foregoing, the Court hereby **GRANTS** the Joint Motion for Approval of Settlement Agreement and Entry of Stipulated Order of Dismissal [33]. Plaintiffs George Ruffin and Wanda Turner’s claims are dismissed with prejudice.

IT IS SO ORDERED.

Dated: January 27, 2016

/s/Gershwin A Drain

HON. GERSHWIN A. DRAIN

United States District Court Judge